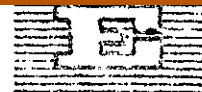


PROVISIONAL, FOR PARTICIPANTS ONLY



UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL



PROVISIONAL

E/CN.12/AC.26/SR.2

10 May 1955

ORIGINAL: ENGLISH/
SPANISH

ECONOMIC COMMISSION FOR LATIN AMERICA
Fourth Committee of the Whole Meeting
Santiago, Chile

SUMMARY RECORD OF THE SECOND MEETING

Held in the Conference Room of the Economic Commission
for Latin America, Santiago, Chile, on Tuesday
10 May 1955 at 4.20 p.m.

CONTENTS

Draft resolution on inter-regional trade co-operation,
presented by the Working Group (Conference Room Paper N° 1)

Draft resolution on co-ordination between ECLA and IA-ECOSOC
presented by the United States Delegation (Conference Room
Paper N° 2)

Credentials Report

Annual Report of the Commission to the Economic and Social
Council (E/CN.12/AC.26/8)

Closing speeches

NOTE:

Any corrections to this record should be submitted in writing in any of the working languages (English, French or Spanish) to the Secretary of the Commission, Economic Commission for Latin America, Casilla 179-D, Santiago, Chile. Corrections should be accompanied by or incorporated in a letter, on headed note paper, bearing the appropriate symbol number and, preferably, incorporated in a mimeographed copy of the record.

/PRESENT:

PRESENT:

<u>Chairman:</u>	Mr. GUILLERMO VILDOSOLA AGUIRRE	Chile
<u>Vice-Chairmen:</u>	Mr. JOSE DE J. NUNEZ Y DOMINGUEZ	Mexico
	General EDUARDO BONITTO	Colombia
<u>Rapporteur:</u>	Mr. HUGO LINDO	El Salvador
<u>Members:</u>	Mr. MARTINEZ	Argentina
	Mr. ITURRALDE CHINEL	Bolivia
	Mr. CARNAUBA	Brazil
	Mr. MOLINA SILVA)	
	Mr. BURR VEYL)	Chile
	Mr. GOICOECHEA QUIROS	Costa Rica
	Mr. HERNANDEZ PORTELA	Cuba
	Mr. BAEHR	Dominican Republic
	Mr. DAVALOS	Ecuador
	Mr. DE CROUY-CHANEL	France
	Mr. UNDA MURILLO	Guatemala
	Mr. MERCERON	Haiti
	Mr. COELLO	Honduras
	Mr. KASTEEL	Netherlands
	Mr. GARCIA LECLAIR	Nicaragua
	Mr. YCAZA VASQUEZ	Panama
	Mr. LOPEZ MARTINEZ	Paraguay
	Mr. EMPSON	United Kingdom of Great Britain and Northern Ireland
	Mr. SANDERS	United States of America
	Mr. DE PENA	Uruguay
	Mr. GONZALEZ VALE	Venezuela

In a consultative capacity:

Mr. MANCINI	Italy
-------------	-------

/Also present:

Also present:

Representatives of specialized agencies:

Mr. LAGNADO

International Labour
Organisation (ILO)

Mr. SAGO

Food and Agriculture
Organization (of the
United Nations) (FAO)

Representatives of inter-governmental organizations:

Mr. BERNARDEZ

Inter-American
Economic and Social
Council

Mr. GROEBNER

Intergovernmental
Committee for
European Migration

Representatives of non-governmental organizations:

Category A:

Mr. SALAZAR

International Con-
federation of Free
Trade Unions

Mrs. SCHAEFFER DE DEL RIO

World Federation of
United Nations
Associations

Category B:

Miss QUINTANA

International
Federation of Women
Lawyers

Secretariat:

Mr. PREBISCH

Executive Secretary

Mr. SWENSON

Deputy Director

Mr. SANTA CRUZ

Secretary of the
Commission

DRAFT RESOLUTION ON INTER-REGIONAL TRADE CO-OPERATION, PRESENTED
BY THE WORKING GROUP (Conference Room Paper No. 1)

The CHAIRMAN opened the meeting and requested the Rapporteur to read the text of the draft resolution.

Mr. LINDO (El Salvador), Rapporteur, then read the draft resolution.

Mr. DE CROUY-CHANEL (France), supported by Mr. MOLINA SILVA (Chile) and Mr. CARNAUBA (Brazil), proposed that a sentence be inserted between paragraphs 5) and 6) of the resolution to give a more precise definition of ECLA's position on consultative procedures.

Mr. LINDO (El Salvador), Rapporteur, explained that the Working Group had not made a special point of the matter, since it had been dealt with in other resolutions of the Commission, such as resolution 45 (V).

The CHAIRMAN summed up the Committee's views by suggesting the addition of the following sentence: "Supports in principle the idea of effecting consultations on trade problems between interested countries".

Mr. SANDERS (United States) seconded the proposal.

Mr. LINDO (El Salvador), Rapporteur, supported by Mr. LUNDA MURILLO (Guatemala), suggested that the phrase "of experts" be added after the word "consultations", to clarify the terms of the resolution.

The CHAIRMAN put the amendment proposed by El Salvador to the vote.

The amendment was rejected, only 7 votes having been cast in favour.

The CHAIRMAN put the main amendment to the vote.

The amendment was adopted.

The CHAIRMAN put the amended draft resolution to the vote.

The resolution was adopted by 16 votes, with 1 abstention.

DRAFT RESOLUTION ON CO-ORDINATION BETWEEN ECLA AND IA-ECOSOC,
PRESENTED BY THE UNITED STATES DELEGATION (Conference Room Paper No. 2)

Mr. BERMUDEZ (IA-ECOSOC) declared that there were two points in the Programme of Work and Priorities, 1955-56, on which his organization wished to request special collaboration: Project 31 on inter-Latin-American trade, with special reference to the problems of maritime transport (point c)); and Project No. 6, dealing with an expert conference on the technique of programming. He further recommended that co-operation might be initiated
/by governments

by governments when instructing their delegations attending the various economic conferences, to avoid, from the very beginning, any duplication in the work programmes of both organizations.

The EXECUTIVE SECRETARY, in reply, assured delegates that, with regard to the first point mentioned by the representative of IA-ECOSOC, co-ordination had already entered on an active phase and would be followed up at the forthcoming meeting of the Co-ordinating Committee to be held in Washington. Co-ordination in relation to the programming of economic development would also be considered on that occasion. With respect to that second subject, he considered the field to be so wide that it was in fact desirable for several organizations to study it. There was the specific case of the economic development of Paraguay, which had not yet been studied by ECLA, but which might well be undertaken by IA-ECOSOC either alone or in collaboration with ECLA.

Mr. MARTINEZ (Argentina) proposed that the following words be deleted from the first paragraph of the resolution "demonstrating as appropriate (a) how duplication has been avoided, and (b) how, through exchange of materials and consultation, the secretariats have effectively utilized the work of each other in furthering their own work programmes".

The proposal was adopted.

After obtaining the authorization of the Committee, Mr. BERMUDEZ (IA-ECOSOC) pointed out the desirability of co-operation being effected by the representatives of governments at the meetings of both organizations.

The CHAIRMAN indicated that the Committee would bear that observation in mind, and put the draft resolution to the vote, with the Argentine amendment.

The amended resolution was adopted by 10 votes to 6, with 2 abstentions.

The CHAIRMAN proposed a recess so that the proceedings of the afternoon's meeting could be included in the Annual Report.

The meeting was accordingly adjourned at 5.30 p.m. and was resumed at 6.30 p.m.

CREDENTIALS REPORT

The CHAIRMAN reported that the delegates' credentials had been examined by the Credentials Committee and had been found in good and due form.

ANNUAL REPORT OF THE COMMISSION TO THE ECONOMIC AND SOCIAL COUNCIL (E/CN.12/AC.26/8)

Mr. LINDO (El Salvador), Rapporteur, read the summary of proceedings and resolutions appearing in the Seventh Annual Report of the Commission and the draft resolution, seeking its approval by the Council.

Mr. SANTA CRUZ (Secretary of the Commission) requested the inclusion in paragraph 135 of the phrase "with regard to the collaboration of the secretariat, authorized by the last Committee of the Whole, in the preparation of the IA-ECOSOC Conference at Rio de Janeiro" after the words "The Executive Secretary explained the special circumstances.

It was so agreed.

Mr. BURR (Chile) requested that, to clarify his country's position, paragraph 129 should be re-drafted. He proposed the following text: "The Chilean Government considers it of especial interest that a mechanism should be sought whereby Latin American trade experts could establish direct contact with such experts in other regions".

The proposal was adopted.

Mr. SANDERS (United States) proposed that the following sentences be added at the end of paragraph 139: "and resolution 557 (XVIII) on Organization and Operation of the Council and its Commissions which, among other matters, requests the Secretary-General 'to submit to the Council for its prior approval, and after consultation with the executive heads of the specialized agencies, any request made by the commissions for new studies or projects to be undertaken by the specialized agencies which would require substantial changes in the work programmes of the specialized agencies or additional budgetary provisions', and decides that 'the agenda of the July session shall be mainly confined to the consideration of the world economic situation ... and to a general review of the development and co-ordination of the economic, social and human rights programmes and /activities of

activities of the United Nations and the specialized agencies as a whole".

The proposal was adopted.

The CHAIRMAN moved the adoption of the Seventh Annual Report of the Commission, with the agreed amendments and additions.

The Seventh Annual Report of the Commission, as amended, was adopted unanimously.

CLOSING SPEECHES

General BONITTO (Colombia) expressed his government's satisfaction that the next session of the Commission would be held in Bogota. He referred to the fact that various members of the ECLA secretariat had visited that city in order to plan the organization of the conference. He concluded by wishing it every success.

Mr. DE CROUY-CHANEL (France) and Mr. MERCERON (Haiti) desired to express the appreciation of the French-speaking delegations for the speed and efficiency with which the documentation in that language had been made available.

Mr. LINDO (El Salvador) Rapporteur, read the text of a vote of thanks to the secretariat for its work in organizing the meeting.

The vote of thanks was carried by acclamation.

The CHAIRMAN declared the Committee of the Whole closed.

The meeting rose at 7.15 p.m.

OPENING ADDRESS BY HIS EXCELLENCY MR. CARLOS VASSALLO,
UNDER-SECRETARY OF FOREIGN AFFAIRS OF CHILE
AT THE OPENING SESSION OF THE FOURTH
COMMITTEE OF THE WHOLE ON 9 MAY 1955

Mr. Executive Secretary, Gentlemen: The meetings of the Economic Commission for Latin America, both its regular sessions and its Committees of the Whole, have come to be events of great importance for all the countries of our Continent.

The United Nations Economic and Social Council established the Committee of the Whole meetings, so that Member States might be informed of the Work Programme and could approve it for later review by the Council.

But we should not conclude from this that the present meeting is only a formality. The activities of ECLA always represent a valuable scientific and technical contribution for our countries. Its various studies and their conclusions at present inspire the process of steady economic transformation which is the constant preoccupation of the countries of this Continent. Knowledge of the Commission's work programme means the analysis of specific problems which affect the economies of the Latin American countries, which have been studied with minute care for their background and with the profound technical skill which this international body shows in all its work.

Furthermore, Gentlemen, your presence at this meeting and the work of your countries at each of the sessions represent a useful opportunity to express one of the characteristics of the international life of our time. I refer to the fact that nations now seek the solution to their problems in harmony and in close contact with the other members of the community. Solidarity and international co-operation, in this case, are by no means illusory. They represent an ideal now being translated into practical reality which the countries of this Continent and the Secretariat can demonstrate with pride and satisfaction.

It is well known that the standard of living of our peoples depends upon economic development. And on this subject I want to refer briefly to two basic items in this process. They are the financial and technical
/assistance required

assistance required by the Latin American countries.

International co-operation is an essential factor in obtaining adequate financing of the economic development of our countries. The studies carried out to date have led to the conclusion that at present the countries of the region need a substantial increase in foreign investment capital, not only to accelerate the rate of development, but also - as ECLA has been able to establish - to maintain the rate accomplished in the past.

Chile, Gentlemen, gives private capital the importance it deserves, as a useful element for the economic development of this country. The Government has been concerned with the legal dispositions which may encourage a greater inflow of private capital, offering guarantees and facilities for such investment and has created a special body, the Committee for Foreign Investment, which is at present carrying out valuable work in this direction. But we agree also with those who feel that minimum investments of foreign capital must be available for a given period and that, to obtain this minimum, the co-operation of public credit is indispensable since private action alone has been inadequate. In addition, basic activities for economic development exist, such as investment in social capital, which do not interest the private sector and can only be implemented satisfactorily through the contribution of public credit.

On many occasions, the work carried out by existing international credit institutions, its limitation and future possibilities, have all been analysed. Bearing these analyses in mind, at the Meeting of the Ministers of Finance or Economy which met as the IV Extraordinary Session of the Inter-American Economic and Social Council in Rio de Janeiro at the end of 1954, Chile took an active part in the debates for creating a regional financial organization which would fill the present need for such a body. The results of the Rio Conference, without any doubt, represented substantial progress in solving these problems. We have also been able to note with satisfaction a further recent advance. The Commission of Experts, appointed at Rio de Janeiro to accomplish the initial studies for creating the new organization, has completed its work in Santiago. Once again, on this occasion, ECLA was able to render valuable services, providing a background from its experience and giving a positive example of the way in which two international bodies can co-ordinate their activities.

/The technical

,

The technical assistance programmes carried out from 1948 until today have a special significance for our countries. ECLA studies have clearly and precisely emphasized the need for technical assistance in Latin America for each different aspect of economic development.

Bearing in mind the importance of the technical assistance programmes and the work accomplished by ECLA, the Government of Chile hopes that the collaboration between the technical assistance organizations and the Commission will be maintained and even strengthened, particularly as regards the co-ordination of the programmes and the examination of the value of each project so that the corresponding priorities can be properly established.

Our country, appreciating the present and future value of this great effort of international co-operation in all its breadth, decided to raise its contribution to the Technical Assistance Fund and is sure that every nation will try to offer ever-increasing aid, thus ensuring greater success for the programmes.

In opening this meeting of ECLA's Committee of the Whole, I have the honour, in the name of the Chilean Government, to greet the members of the Delegations from abroad, expressing to them the pleasure with which my country and my Government welcome them on this occasion and wishing them every success in the work which is about to begin.

SPEECH BY HIS EXCELLENCY MR. JOSE D. J. NUÑEZ Y DOMINGUEZ,
MEXICAN AMBASSADOR IN CHILE, ON BEHALF OF THE DELEGATIONS ATTENDING THE
FOURTH COMMITTEE OF THE WHOLE MEETING
ON 9 MAY 1955

Mr. Under-Secretary for Foreign Affairs of Chile, Mr. Under-Secretary
for Economic Affairs, the Executive Secretary of ECLA, Gentlemen:

In the absence of the Chairman elected at last year's Meeting,
the honour of replying to the address by the Under-Secretary for
Foreign Affairs devolves upon me. May I, in the first place, express
my thanks to that high official for his words of welcome to the dele-
gations from abroad, of which I am myself a member.

We, as delegates of the governments of the America's and of the
European nations here represented, are ready to co-operate to the
fullest possible extent in the great work represented by the study of
the far-reaching economic problems of Latin America with which these
sessions will deal. The importance of discussing these problems is such
that none can deny the significance of this meeting. The Government of
Chile, as well as the Economic Commission for Latin America, may rest
assured that all the delegations present are inspired by the loftiest
spirit of collaboration towards bringing the labours of this meeting to
a successful conclusion.

ADDRESS BY MR. RAUL PREBISCH, EXECUTIVE SECRETARY OF THE
ECONOMIC COMMISSION FOR LATIN AMERICA, AT THE FOURTH
MEETING OF THE COMMITTEE OF THE WHOLE,
ON 9 MAY 1955.

It is now almost seven years since, on the commendable initiative of Chile, ECLA's headquarters was established in the city of Santiago. Since that time we have constantly been encouraged by the generous and cordial assistance of the Chilean authorities. At each meeting of the Committee of the Whole, this policy of encouragement has been emphasized by the distinguished presence of their Minister for Foreign Affairs. Today we are honoured with the attendance of the Under-Secretaries of Foreign Affairs and of Economy. To them, on behalf of the Secretary-General of the United Nations, Mr. Hammarskjöld, and as Executive Secretary of this Regional Commission, I must once more express the deep gratitude of our Organization.

This meeting of the Committee is being held about three months before our sixth session, which will take place at Bogota. Apart from carrying out the specific business on the agenda, we are here given the opportunity of submitting to delegates the most important points and the most significant problems with which we shall deal during that sixth session, in accordance with the resolutions of the Governments which are members of this Commission and with the directives of the United Nations Economic and Social Council. I venture to hope that this prior information and the documents which we shall be distributing in good time will enable Governments to become fully acquainted with the subjects to be discussed and to make early arrangements for the attendance of their expert delegations to the sixth session.

I am certain, Gentlemen, that the Bogota Session will be of great importance. The nature of the studies which we intend to submit will clearly express the stage which this Commission has reached, along the lines laid down for it by its member governments. The studies refer to problems of considerable importance for the economic policy of the Latin American countries. By looking back into the past, we can see what a long way we have travelled. A few years ago, those of us who, with deep conviction, came to cooperate in building ECLA were dominated by an
/initial curiosity

initial curiosity, which can be understood because we found ourselves in a sphere which had been very little explored at that time, the sphere of Latin American economic development. We were fired with the desire to see and to know reality, to ascertain the dynamic factors which impel it forward, and to measure - although with only the roughest approximation - the intensity of these factors in their influence on the growth of our countries. Who was then aware, Gentlemen, of the strength of that growth? Had anyone at that stage measured a dynamic element of such fundamental importance as the investment coefficient in Latin America? Had anyone attempted to calculate the scope of the external and internal forces determining the regional development?

In all these matters research is now proceeding apace and being constantly improved. But in this work we are not free from surprises and even statistical setbacks, because we know full well that the basic material is still very unreliable in most of our countries, and must inevitably pass through stages of computation and rectification in the methods of analysis. But if we had waited until the material was complete and accurate we should still be in the realm of fruitless abstraction. But by utilising this material just as it was, at times perhaps with some boldness, we have been playing our part - in addition to enhancing our own experience - towards inducing our countries to improve such tools. And indeed they are improving the material, in the conviction that economic statistics have a function to fulfil which is much more practical and constructive than the useful task of illustrating reports or supporting arguments in the course of circumstantial controversies.

These are the instruments which have enabled us to steer our way through the complex maze of reality and, while we are still far from knowing that reality well, we are now in a position to attack the vast practical problems of Latin American growth, impelled as we are by the urgent desire to contribute to their solution.

Herein lies the real meaning of the sixth session at Bogota. To that meeting we shall take, among other things, new documents on the programming of development, a preliminary study of the fundamental

/problem of

problem of energy in Latin America, and an analysis of the problems and potentialities of both the Iron and Steel and Paper and Pulp industries, a new and more detailed study of inter-Latin-American trade and a report on how the Economic Integration Programme in Central America is progressing. All these are in accordance with the Commission's resolutions, as approved by the Council.

Delegates have already received the Progress Report on these matters and it would be pointless, therefore, to repeat its contents. I only wish to stress some aspects which in my opinion are worthy of your attention.

We believe that we have made appreciable progress in the technique of programming economic development, thanks to the co-operation of those governments which have realized that this is the best road along which to guide development policies. At a previous meeting I had the pleasure of reporting on the work we are carrying out at the request of the Brazilian Government and in collaboration with the Banco do Desenvolvimento Economico. This work comprises as complete an analysis as possible of the development problems of Brazil. A series of projections for future growth have also been made, which permit current problems to be stated clearly and evaluated, particularly those which development will render more acute and complex if they are not tackled with thoroughness by a vigorous and far-sighted policy.

The technique of analysis and projection which has been adopted in this case, applying and improving on the criteria used in a previous study of Chile, will be most useful after suitable adjustment for research into the problems of other countries. This is demonstrated by another study, dealing with Colombia, which will also be presented at the sixth session and will be similar in content to the survey of Brazil. On entering this new, experimental field, we have at all times received the wise and generous encouragement of the Colombian authorities and of outstanding representatives of private enterprise in that country. Because of the enthusiasm with which this study was accomplished, we hope that they will regard our work, not only as a technical report but also as a sincere expression of our gratitude for their co-operation, which it gives me great
/pleasure to

pleasure to reiterate in the presence of the Ambassador of Colombia.

Other countries would also have gladly shared with us this type of practical research, but, much to our regret, we have to postpone a further extension of this work because of our limited resources. Nevertheless, I wish to reaffirm our intention to continue this work after the sixth session.

Owing to the lack of resources, our activities in the field of energy were frankly behind schedule. Fortunately we have now been able to overcome this situation, and plan to present at Bogota the first overall study on the difficult question of energy in Latin America, one of the greatest obstacles to economic development. The study will cover the main technical and economic problems, from the alarming waste of energy caused by the use of obsolete equipment and techniques to an estimate of capital requirements that will vary between 600 and 900 million dollars annually during the next ten years, depending on the rate of growth. About half of this sum represents imports of capital goods.

Let us now turn to a study of the iron and steel industry and its possibilities of growth. Why should this industry have been chosen out of all those which our work programme offers? Precisely because the projections of growth of the main Latin American countries have convinced us that in the policy of import substitution imposed by that growth, the stage of simple replacement is already past and it is now necessary for imports of durable consumer goods and capital goods to be substituted. This poses a number of interesting questions which can only be answered in practice through systematic and objective analyses. We have made great efforts to ensure that our study will be a reasonably useful contribution of value to this work.

Parenthetically, I wish to reiterate a deep-rooted conviction; the policy of import substitution is indispensable for the continuance of growth and much more so for its acceleration. But this does not imply that export policy should be allowed to drift aimlessly. Exports have not been encouraged to the maximum; on the contrary, there have been instructive cases of negative policies, so to speak. We are also

/preparing a

preparing a report on this matter, in accordance with the resolution tabled by the United States delegation at the fourth session in Mexico City.

Our work on pulp and paper, carried out in close co-operation with FAO, resulted in a large meeting of experts at the end of last year in Buenos Aires under the auspices of the Argentine Government and with the active participation of the Technical Assistance Administration. A complete report on this meeting, including the studies prepared for it, will also be presented at Bogota, because it not only has undoubted intrinsic value, but also offers clear proof of the efficacy of these technical meetings of experts from Latin America and from other countries which, under the aegis of the United Nations, are able to contribute their valuable experience.

At the Fifth Session, held at Rio de Janeiro, considerable attention was paid to inter-Latin-American trade. As a result, a new report will be issued in the near future in which the most detailed examination possible has been made of the difficulties which hamper regional trade and of the possibilities of expanding such commerce. Among these obstacles, special attention has been devoted to the problem of maritime transport, which has been more thoroughly analysed here than at any previous time.

The technical services rendered by ECLA to the Committee of Ministers of Economy of the Central American Republics have resulted in a report describing current progress in the economic integration of that area. Here we are impelled by a far-seeing and realistic policy, based on deep convictions which were strengthened recently when, at a time of serious political tension, representatives of the Central American governments met as usual in our Mexico Office to continue discussions on the technical aspects of integration.

I do not want to bring this brief account of our work to a close without referring to the Economic Survey for Latin America, which will be published very shortly. The outline and analysis of current events contained therein has always been accompanied by a discussion of those points which developments themselves have suggested as deserving of emphasis against the wider background of economic development. The 1954 Survey has followed the same principle. In the face of a slower rate of
/investment, we

investment, we have asked two questions of fundamental importance. Can a developing country, through its own efforts, increase the coefficient of capital investment? Can positive capitalizing effects be expected from inflation? I do not doubt that, because of their considerable practical importance, these two questions will awaken the interest of government experts.

I have purposely disregarded the agricultural aspects of development. My esteemed colleague, Mr. Saco, who represents FAO at ECLA and assists in the preparation of the Survey and other joint projects, will explain the purpose and scope of a report which both organizations will present at Bogota. I would wish only to express my deep satisfaction at the close co-operation we have maintained with FAO. Happily, we have been able to avoid highly detailed and acrimonious dispute on points of jurisdiction. Our formula has been simple and effective; never to discuss the potential division of labour in the abstract. And thus, on making a concrete survey of the vast field of unexplored or little-known problems, it has been easy for us to reach an agreement on how to concentrate our efforts on whatever was most urgent and important.

It is this same procedure which has made our relations with the Inter-American Economic and Social Council of mutual profit and, I hope, of mutual esteem. Our preparatory work for that Organization's IV Extraordinary Conference at Rio last November was a further example of the fact that in dealing with practical matters solutions are easily found. It is for this reason that I thank the representatives of the member governments of the Commission who, at the last meeting of the Committee of the Whole, authorized us to collaborate with IA-ECOSOC.

That, Gentlemen, is all I desire to bring to your notice for the present, while awaiting the points which you will be good enough to put to me during the coming debates. I should not like to conclude without an expression of thanks. I have always many grounds for gratitude, in view of the stimulus and support which the Governments have never failed to give to the secretariat, not only here in the Commission, but also in the Economic and Social Council and in the General Assembly itself. But this

/time, I

time, I have other very special motives for gratitude. In the very understandable wave of economies which has swept through the United Nations, wise and discreet protection has been given to this regional Organization, which, being the most recent, might not yet have attained its appropriate stature; but, thanks to that policy, it has now done so, except for some small final touches. Here and in Mexico, 84 economists, together with their assistants and statisticians, are zealously carrying out research designed to shed light on problems. They are following a work programme, approved by the member Governments, which has two great virtues. It concentrates on the most important questions in reasonable order of priority, and so avoids an unfortunate dissipation of efforts. Secondly, it has given me the flexibility I need in adapting the execution of this programme to our resources and possibilities. For all this, Gentlemen, I would ask you to accept the gratitude of my secretariat, the members of which, as far as they can, are now at your disposal to facilitate the smooth conduct of the present meeting.

The first part of the paper discusses the importance of the study of the history of the United States. It is argued that a knowledge of the past is essential for a full understanding of the present. The author then proceeds to discuss the various factors that have shaped the development of the United States, including the role of the government, the influence of the economy, and the impact of the culture. The paper concludes by emphasizing the need for a continued study of the history of the United States in order to better understand the challenges of the future.

SPEECH BY MR. ALFREDO M. SACC, FAO REPRESENTATIVE AND CHIEF OF THE
JOINT ECLA/FAO PROGRAMME

DISCUSSION AT THE SIXTH ECLA SESSION ON THE POLICY
OF SELECTIVE EXPANSION IN AGRICULTURE
AND ITS RELATION TO OVER-ALL ECONOMIC DEVELOPMENT

At the FAO Conference, resolutions were passed recommending the governments to adopt a new agricultural policy which was described as selective expansion of production and consumption. By this it was implied that in drafting or revising their development programmes, countries should take every possible care, a) to avoid any considerable piling-up of agricultural surpluses; and b) to foster the production and consumption of those agricultural products essential to an improvement in standards of nutrition, and at present in short supply.

Among other means to this end, the FAO Conference proposed that the Director-General of the Organization should be requested to convene meetings on a regional basis during 1954 and 1955 in the Near and Far East and in Latin America, so that the governments concerned might have the opportunity of exchanging ideas on the best methods of implementing the suggested policy of selective expansion. A meeting of this kind was held in the Near East in September of last year, and a similar consultation took place in Latin America during the Third Regional Meeting of the FAO on Food and Agricultural Problems and Outlooks, held in Buenos Aires from 1-10 September 1954. In FAO's work programme for 1955 further round table discussions on selective expansion of agriculture in the three regions mentioned are included.

The following were among the most important conclusions reached at the Buenos Aires Meeting:

1) That in Latin America agricultural production was barely keeping pace with the rate of growth of the population and certainly not with the real demand;

2) That although many governments had set up ambitious agricultural production targets, especially for the farm year 1956/57, it was unlikely that the region's aggregate production would attain the levels envisaged.

/The Buenos Aires

The Buenos Aires Meeting further came to the conclusion that even if the various countries were able to achieve all the proposed, production would still be inadequate to satisfy the regional demand if the annual rate of growth of the per capita income were higher than 1.5 per cent;

3) That the existence of agricultural surpluses in several countries outside the region might paralyse the development of agriculture in Latin America to an extent which would affect not only the general level of agricultural production, but even the rate of over-all economic development, especially in exporter countries.

4) That problems connected with the balance of trade and foreign exchange availabilities had compelled many countries to follow autarkic food supply policies which led to high production costs and the stagnation of intra-regional trade in agricultural products.

The object of the meeting recommended by the FAO Conference for 1955 would be to make a fresh survey of the region's agricultural development, with a view to increasing the production and consumption of essential agricultural products. It would also strive for closer co-ordination in matters of agricultural policy among the Latin American countries. While not losing sight of these two premises, it would endeavour so to speed up the expansion of agricultural production as to preserve a nice balance, on the one hand with real demand, and, on the other, with industrial development over both the short and the long term. When the organization of this further meeting came up for consideration by the FAO, the idea was put forward that it might be held, with ECLA's approval, during the latter organization's Sixth Session. Among other advantages attaching to this suggestion was the possibility of relating short- and long-term agricultural policy to the over-all economic development of the Latin American countries. Fortunately, the Executive Secretary of ECLA and his closest collaborators were fully in accord with FAO's views. Not only did they willingly agree to the holding of the consultation during the Bogota Conference, but it was also resolved that a special joint document for discussion purposes should be prepared by both organizations. This document, on which work is at present actively proceeding, will deal specifically with the following /questions; the rate

questions; the rate of agricultural expansion in relation to the rise in the population, the demand for agricultural products and the development of other sectors of the economy.

In connexion with increases in population and in the demand for agricultural products - apart from the general necessity for the supply to be adequate to meet local needs -, an analysis will be made of consumption trends with special reference to standards of nutrition.

With reference to over-all economic development, not only will particular attention be devoted to comparing agriculture's growth rate with that of other economic activities, but an attempt will also be made to determine its relative position in the structure of the national income during recent years, the degree to which expansion of local industry may have affected foreign trade in raw materials, the importance of agricultural exports for over-all economic development, the role of agriculture in the improvement of the per capita income and the impact of this latter upon the evolution of agriculture.

Another section of the report, not unrelated to the above topics, will aim at analysing the ratio of the rate of expansion of agricultural production to investments in this sector of the economy, and will seek an explanation for any positive or negative correlation which may prove to exist between these two economic variables. Investments in agriculture will also be compared with those in other sectors of the economy, and the significance of imports of capital goods in the total agricultural investments will be defined.

In yet another section the report in preparation will seek to describe perceptible trends in the agricultural policy of the Latin American countries, from the standpoint of domestic supply and exports. To give meaning to this analysis, a group of basic products has been chosen to illustrate the effect of individual countries' policies, with respect to these commodities, upon the region as a whole. It will thus be possible to determine how far the agricultural policy of one country may be in conflict or incompatible with that of another, whether over-all interests are affected by the lack of co-ordination, and whether this latter hampers in its turn the co-ordination of intra-regional

nation of intra-regional trade.

Similarly, an analysis will be made of the relative position of the staple Latin American agricultural products in world production and trade, so as to define what influence, if any, the region may have exerted on the building-up of agricultural surpluses, and the measures which governments should adopt to achieve a more selective expansion of agriculture, should the occasion arise.

Finally, the document will embody certain general considerations on the most suitable agricultural development policy, mainly with a view to the development of other sectors of the economy, to a better balance between the various branches of production, to improved standards of nutrition, to greater specialization on the part of producer regions and to a fuller development of intra-regional trade.

To enable this discussion at the forthcoming ECLA session to be as fruitful as is hoped, governments are recommended to include in their delegations technicians in agricultural programming as well as in the programming of over-all economic development. The ECLA session is felt to offer a unique opportunity of bringing into contact these two classes of experts.

PROVISIONAL LIST OF DELEGATES TO THE FOURTH
COMMITTEE OF THE WHOLE OF THE ECONOMIC COMMISSION
FOR LATIN AMERICA (x)

Argentina

Representative: Gabriel Osvaldo Martínez

Bolivia

Representative: Fernando Iturralde Chinel, Ambassador to Chile
Alternate: Ricardo Ocampo

Brazil

Representative: Federico Carlos Carnauba

Chile

Representative: Guillermo Vildósola Aguirre, Under-Secretary of the
Ministry of Economy
Alternates: Sergio Molina Silva, Samuel Radrigán Oyanedel,
Jorge Burr Veyl, Pedro Daza Valenzuela, Gonzalo
Piwonka Figueroa

Colombia

Representative: Eduardo Bonitto, Ambassador to Chile

Costa Rica

Representative: Alfonso Goicoechea Quiroz, Ambassador to Chile

Cuba

Representative: Ramiro Hernández Portela, Ambassador to Chile
Alternate: Fernando Hernández de Agüero

Dominican Republic

Representative: Franz Baehr, Chargé d'Affaires in Chile

(x) Delegates are requested to give notice of any necessary changes
to the Secretary of the Committee of the Whole, Mr. Alfonso Santa
Cruz, at their earliest convenience.

El Salvador

Representative: Hugo Lindo, Chargé d'Affaires in Chile

France

Representative: René de Crouy-Chanel, Chargé d'Affaires in Chile

Guatemala

Representative: Jesús Unda Murillo, Ambassador to Chile

Haiti

Representative: Arnaud N. Merceron, Chargé d'Affaires in Chile

Honduras

Representative: Jorge A. Coello, Chargé d'Affaires in Chile

Mexico

Representative: José de J. Núñez y Domínguez, Ambassador to Chile

Netherlands

Representative: Petrus A. Kasteel, Minister in Chile

Alternate: J. van der Gaag

Nicaragua

Representative: Ricardo García Leclair, Chargé d'Affaires in Chile

Panama

Representative: Carlos Ycaza Vásquez, Ambassador to Chile

Paraguay

Representative: Esteban López Martínez, Ambassador to Chile

Alternate: Luis Garcete

United Kingdom of Great Britain and Northern Ireland

Representative: C. Empson, Ambassador to Chile

Alternates: H.A.A. Hankey, H.A.J. Griffiths

- 3 -

United States of America

Representative: William Sanders
Alternate: Claude Courand

Uruguay

Representative: Hugo V. de Pena, Ambassador to Chile

Venezuela

Representative: Hernán González Vale

Italy (in an advisory capacity)

Representative: Tommaso Mancini

REPRESENTATIVES OF SPECIALIZED AGENCIES

International Labour Organisation

A. Lagnado, Moisés Poblete Troncoso

Food and Agriculture Organisation

Alfredo Saco

REPRESENTATIVES OF INTER-GOVERNMENTAL ORGANISATIONS

Inter-American Economic and Social Council

Washington P. Bermúdez

Inter-Governmental Committee for European Migration

Eberhard Groebner

REPRESENTATIVES OF NON-GOVERNMENTAL ORGANISATIONS

Category A

International Federation of Christian Trade Unions

Hernán Troncoso Rojas

International Confederation of Free Trade Unions

Hugo Salazar, Miguel Pradenas

World Federation of United Nations Associations

Luisa Schaeffer de Del Río

Category B

International Federation of Lawyers

Filomena Quintana

STATEMENT OF THE CHILEAN DELEGATE TO THE

FOURTH COMMITTEE OF THE WHOLE,

ON 10 MAY 1955

The topic of international trade has for several years now been a matter of concern to our countries, as likewise to the United Nations Regional Organizations, whose thorough surveys open up encouraging prospects for the expansion of trade. In this connexion, emphasis should be laid on the "Study of Trade between Latin America and Europe" and the "Study of Trade between Asia and Europe"; both have served as background information to the Economic Commission for Europe and the Economic and Social Council in the adoption of the resolutions now being submitted to the Committee of the Whole for opinion.

In the reports prepared by the International Organizations, and in the recommendations of Latin American experts, the importance of foreign trade in the economic development of the countries of the region has been stressed with marked persistence. We are well aware that a high proportion of the available goods in our economies come from abroad; we are well aware, also, that in most of our countries the volume of investments depends to a large extent on the imports of capital goods; and we know from experience that a fall in prices or a reduction in the quantum of exports brings in its train a serious disequilibrium in our vulnerable economic systems, and consequently a slackening of the rate of progress.

The struggle against the instability which is affecting the national economies of the countries of Latin America should, in our opinion, be simultaneously waged both on the domestic and on the foreign front; on the former by the diversification of production, and on the second by an endeavour to maintain a just balance in the terms of trade and by the furthering of international agreements which
/enable markets

enable markets to be widened and ensure an increasing demand for our exports.

It is precisely with this last aspect that the proposal put forward by the Economic and Social Council is concerned. The Chilean delegate feels that it is highly important for a device to be sought whereby the trade experts of our countries may establish direct contact with those of other regions. We believe that closer co-operation among the regional commissions would constitute a first step towards this goal. The Chilean delegate therefore wishes to support the proposal of the Economic and Social Council.

DRAFT RESOLUTION ON INTER-REGIONAL TRADE CO-OPERATION

approved by the Working Party composed of Argentina,
Chile, El Salvador, Paraguay and the United States

The Economic Commission for Latin America

1. Having examined resolution 535 B (XVIII) of the Economic and Social Council and the Report of the Secretary-General on the world economic situation and co-operation aimed at fostering inter-regional trade;
2. Having taken note of the resolutions on inter-regional trade co-operation approved by the Economic Commission for Europe and the Economic Commission for Asia and the Far East;
3. Having regard to resolution 45 (V) of the Economic Commission for Latin America, recommending that the Secretariat continue the work undertaken on trade matters in collaboration with the Secretariats of the various competent agencies of the United Nations;
4. Considering also that this resolution "authorizes the Executive Secretary to consult, if he deems it advisable, with expert working groups to advise him on the different aspects of these studies";
5. Re-affirms the desire of its members to strengthen inter-regional trade relations, either of multilateral or bilateral character, and to co-operate with the Economic Commissions referred to, in order to attain this objective;
6. Manifests its agreement with the Economic Commission for Asia and the Far East
 - a) in believing that these consultations should not be limited to the members of the three Regional Commissions, for the reason indicated in point 3 of resolution 14 (XI); and
 - b) in considering that it would be expedient to study the possibility of adopting other methods and procedures to achieve the same aims;

/7. Recommends that

7. Recommends that the Economic and Social Council, as well as the method of consultation by experts, should examine other methods and procedures which may contribute towards raising the level of trade among the member states of the United Nations and/or of its specialized agencies, according to the principles laid down in the Charter of the United Nations.

DRAFT RESOLUTION ON COORDINATION BETWEEN ECLA AND IA-ECOSOC
submitted by the Delegate of the United States of America

THE COMMITTEE OF THE WHOLE OF THE ECONOMIC COMMISSION FOR LATIN AMERICA

NOTES the report on Coordination between ECLA and IA-ECOSOC,

REQUESTS the Executive Secretary in future reports on coordination between ECLA and IA-ECOSOC to include:

1. An account of the coordination between the activities of the Secretariats of the two organizations demonstrating as appropriate (a) how duplication has been avoided, and (b), how, through exchange of materials and consultation, the Secretariats have effectively utilized the work of each other in furthering their own work programmes;
2. An account of the meetings of the Coordination Committee set up at the Secretariat level in accordance with resolution 31 (IV);
3. An account of any further measures which the Executive Secretary of ECLA and the Secretary General of the OAS consider desirable as a result of any future consultations or study in accordance with resolution 31 (IV) to improve coordination at the governmental level.